

County of Hanover, Virginia Management's Discussion and Analysis

As management of the County of Hanover (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-8 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$238.9 million (*net assets*). Of this amount, \$34.6 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$6.7 million, of which the governmental activities increased by \$1.8 million and business-type activities increased by \$4.9 million.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42.2 million, an increase of \$12.4 million from prior year. The School Improvements Fund, previously shown within Discretely Presented Component Unit – School Board, has been reclassified to the primary government for consistency with debt issuance responsibility. Of the \$12.4 million increase, \$9.9 million is the result of bond proceeds in the School Improvements Fund where the majority of expenses are encumbered. Of the \$42.2 million total, 72.3% (\$30.5 million), is *available for spending* at the County's discretion (*unreserved fund balance*).
- Undesignated fund balance for the General Fund was \$16.2 million, or 10.5% of total General Fund revenues, representing an increase of \$1.0 million or 7.5%. This exceeds the fund balance policy minimum of 10% of total General Fund revenues.
- The County's total debt increased by \$4.0 million (2.5%) during the current fiscal year. The net increase was a result of \$16.1 million of VPSA debt for school projects less principal payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of how the financial position of the County may be changing. Increases in net assets may indicate an improved financial position; however, even decreases in net assets may reflect a changing manner in which the County may have used previously accumulated funds.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration; judicial administration; public safety; public works; health and welfare; parks, recreation and cultural; community development; education; and interest on long-term debt. The business-type activities are for public utilities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board and a legally separate economic development authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 28-29 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the County Improvements Fund and the School Improvements Fund; all three are considered to be major funds. Data from the other two County funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The County adopts an annual appropriated budget, a budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 30-33 of this report.

The County maintains two different types of **Proprietary Funds**. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its public utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The

County uses internal service funds to account for the fleet maintenance and management for its self-insurance health revenue. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 34-36 of this report.

Fiduciary funds are used to account for resources received and held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. However, the County is responsible for ensuring fund assets are used for their intended purpose. Fiduciary funds include new collection activities this year for the Community Development Authority (CDA). A separate statement of fiduciary net assets can be found on page 37 of this report, while a statement of changes in assets and liabilities for fiduciary funds is provided on page 85.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-63 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 66 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found starting on page 70 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$238.9 million at the close of the most recent fiscal year. By far the largest portion of the County's net assets (\$194.7 million, 81.5% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

An additional portion of the County's net assets (\$9.5 million, 4.0% of total) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$34.6 million, 14.5% of total) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities. Historically, governments have focused on governmental funds, primarily the general fund, to measure their financial health. Fiscal year 2005 represents the County's fourth year producing government-wide financial statements, and this fiscal year the Board of Supervisors amended their fund balance policy to consider net assets. The Board established a goal of maintaining positive unrestricted net asset balances. As further comparable indicators become available from other localities and as industry standard indicators are formulated for government-wide reporting (e.g., Government Finance Officer's Association, bond rating agencies, etc.), the County will continue to refine its own policies and practices to ensure that net assets are representative of a strong financial position.

As noted previously, the County's net assets increased by \$6.7 million during the current fiscal year. The \$1.8 million increase in governmental activities is due to a combination of budgetary methods that have yielded surpluses, cash investment in capital assets, and strong principal debt retirement practices. The \$4.9 million increase in business type activities includes \$3.1 million for donated capital assets accepted into the utility system. The remaining utility fund net assets increase was from non-operating capacity fees, which help offset cost of existing capital.

The following tables summarize the County's Statement of Net Assets and Statement of Activities:

Summary of Net Assets:

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 88,618,144	72,026,459	23,236,777	27,925,861	111,854,921	99,952,320
Capital assets	183,577,751	185,848,562	161,282,445	155,345,853	344,860,196	341,194,415
Total assets	<u>272,195,895</u>	<u>257,875,021</u>	<u>184,519,222</u>	<u>183,271,714</u>	<u>456,715,117</u>	<u>441,146,735</u>
Long-term liabilities outstanding	136,820,363	129,257,720	33,214,691	38,530,087	170,035,054	167,787,807
Other liabilities	43,906,895	39,252,309	3,917,785	2,241,396	47,824,680	41,493,705
Total liabilities	<u>180,727,258</u>	<u>168,510,029</u>	<u>37,132,476</u>	<u>40,771,483</u>	<u>217,859,734</u>	<u>209,281,512</u>
Net assets:						
Invested in capital assets, net of related debt	64,429,211	62,499,667	130,259,289	123,953,003	194,688,500	186,452,670
Restricted	6,379,543	6,124,298	3,151,730	4,318,022	9,531,273	10,442,320
Unrestricted	20,659,883	20,741,027	13,975,727	14,229,206	34,635,610	34,970,233
Total net assets	<u>\$ 91,468,637</u>	<u>89,364,992</u>	<u>147,386,746</u>	<u>142,500,231</u>	<u>238,855,383</u>	<u>231,865,223</u>

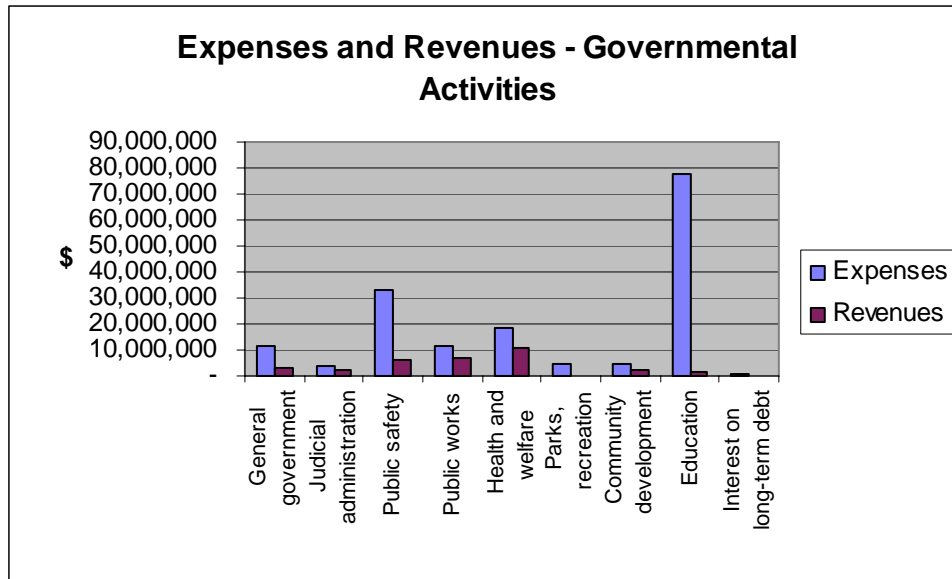
Summary of Activities

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 12,175,810	9,810,240	15,463,650	14,920,100	27,639,460	24,730,340
Operating grants and contributions	14,390,381	15,127,498	451,600	471,777	14,841,981	15,599,275
Capital grants and contributions	7,417,338	6,113,612	8,901,655	7,824,732	16,318,993	13,938,344
General revenues:						
Property taxes	94,939,793	86,761,263	-	-	94,939,793	86,761,263
Other taxes	25,475,779	23,059,560	-	-	25,475,779	23,059,560
Noncategorical State aid	14,066,416	14,289,391	-	-	14,066,416	14,289,391
Grants and contributions	693,279	835,610	-	-	693,279	835,610
Other	411,689	373,141	560,981	31,330	972,670	404,471
Total revenues	<u>\$ 169,570,485</u>	<u>156,370,315</u>	<u>25,377,886</u>	<u>23,247,939</u>	<u>194,948,371</u>	<u>179,618,254</u>
Expenses:						
General government	\$ 11,897,058	10,693,123	-	-	11,897,058	10,693,123
Judicial administration	3,663,672	3,052,208	-	-	3,663,672	3,052,208
Public safety	33,111,907	28,952,210	-	-	33,111,907	28,952,210
Public works	11,304,517	9,238,569	-	-	11,304,517	9,238,569
Health and welfare	18,840,933	17,410,730	-	-	18,840,933	17,410,730
Parks, recreation and cultural	4,894,299	4,641,602	-	-	4,894,299	4,641,602
Community development	4,582,344	4,282,306	-	-	4,582,344	4,282,306
Education	78,974,707	83,221,865	-	-	78,974,707	83,221,865
Interest on long-term debt	462,760	590,519	-	-	462,760	590,519
Public utilities	-	-	20,491,371	17,142,203	20,491,371	17,142,203
Total expenses	<u>167,732,197</u>	<u>162,083,132</u>	<u>20,491,371</u>	<u>17,142,203</u>	<u>188,223,568</u>	<u>179,225,335</u>
Increase in net assets before transfers	1,838,288	(5,712,817)	4,886,515	6,105,736	6,724,803	392,919
Transfers	-	-	-	-	-	-
Increase in net assets	1,838,288	(5,712,817)	4,886,515	6,105,736	6,724,803	392,919
Net assets - beginning of year (as restated)	89,630,349	95,343,166	142,500,231	136,394,495	232,130,580	231,737,661
Net assets - end of year	<u>\$ 91,468,637</u>	<u>89,630,349</u>	<u>147,386,746</u>	<u>142,500,231</u>	<u>238,855,383</u>	<u>232,130,580</u>

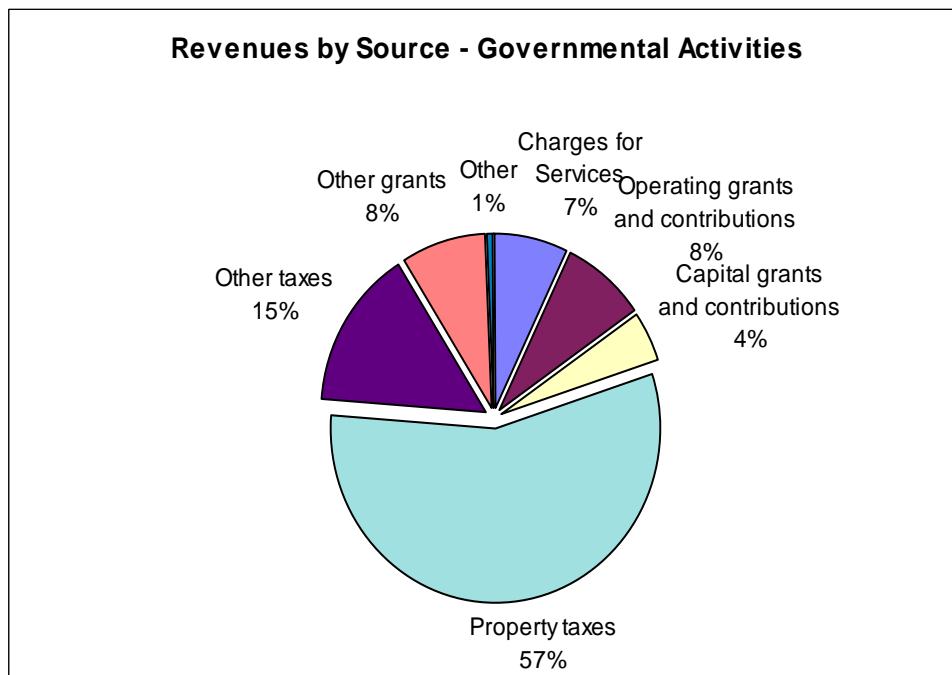
Governmental activities increased the County's net assets by \$1.8 million. Generally, net asset changes are for the difference between revenues and expenses. Revenues of \$169.6 million represent an increase of \$13.2 million or 8.4%. While expenditures of \$167.7 million increased \$5.6 million or 3.5% compared to the prior year. Summary of key elements are as follows:

- General property taxes, including the payments received from the State as reimbursement under the State's personal property tax relief program, were \$94.9 million representing an increase of \$8.1 million or 9.3%. The increase was primarily due to the continued growth in the tax base from primarily new residential and commercial construction, reassessment of existing real property, and limited growth in the personal property tax base. The local remittance of the personal property tax revenue increased by \$200,000 or 1.2%, while the state remittance for personal property tax declined by \$100,000. These changes were the result of growth in the non-qualifying vehicles, at the same time that the valuation fell for qualifying vehicles.
- Charges for services increased by \$2.4 million to \$12.2 million. This 24.5% increase includes the recognition of \$1.6 million for E911 service fees. The E911 tax rate was increased from \$1.00 to \$3.00 per telephone land line in fiscal year 2005. This revenue is utilized to fund emergency communication expenditures.
- Other local taxes were \$25.5 million, which represents an increase of \$2.4 million or 10.4%. Increase primarily attributable to an additional \$2.0 million of sales tax generated by strengthening business activity.
- Operating grants and contributions were \$14.4 million, a decrease of \$700,000 or 4.6%. Prior year included \$2.3 million of Federal and state assistance for Hurricane Isabel, while FY2004-05 includes only \$395,000 of Federal assistance for Tropical Storm Gaston. This decrease was offset by increases in grants among various departments, including \$200,000 in shared expenses, over \$170,000 for the Clerk of the Circuit Court and \$130,000 for Social Service.
- Local expenditures for public safety increased \$4.1 million or 14.1%. Public safety is a priority of the Board and this increase included seventeen new Fire/EMS positions, nine Sheriff Office positions and one Emergency Communications position. Increase also included grant funding for equipment and computers.
- Local expenditures for education of \$79.0 million decreased by \$4.2 million, or 5.0% from the prior year. The decrease was primarily due to timing of construction and related transfer of equity to School Component Unit. State revenues increased in FY2004-05 as the result of the Governor's initiative to fund the State's Standard's of Quality for Education. The State had not kept up with its own guidelines for funding in the years prior. Education has been designated a priority by the Board.

The following graphs illustrate expenses and program revenues for each of the functional areas of governmental activities as well illustrating revenues by source for governmental activities:



Note – Education expense in chart above for primary government’s contribution to School Board Component Unit, there are no corresponding revenues.



Business-type activities increased the County’s net assets by \$4.9 million. Similar to how changes arise in the governmental activities, business-type activities also experience budgetary differences; however, as the public utility function comprises the County’s business-type activities there is more of a direct correlation to the revenues generated relative to the expenses incurred because of service demands. Operating revenues were less than expenses, with a net loss of \$3.7 million primarily due to slowing

growth in areas served by public water and sewer services (Suburban Service Area). Even with the operating loss, the net assets increased by \$4.9 million primarily due to the \$3.1 million in donated assets. Summary of relevant net financial impacts are as follows:

- The Department of Public Utilities recently completed a rate study. The methodology of the study continues to align the cost for provision of water and sewer services to the appropriate user fee (charges for services) and calculates the value of a connection to the system based upon the cost current and future infrastructure (capacity fees). Preliminary data resulted in an overall rate increase of 6.0% for the FY2006 adoption budget. Final results were presented in July 2005 and will be reflected in future budgets. The slowing growth in the Suburban Service Area continued in FY2004-05.
 - Charges for services were \$15.5 million, \$600,000 and 4.6% higher than the prior year and in line with budgetary estimates.
 - Capacity fees were \$5.8 million, \$1.0 million and 20.8% greater than the prior year. Prior collections were \$1.7 million lower than fiscal year 2003. Residential building activity in the Suburban Service Area continues to be low, although commercial connections were higher than budgetary estimates.
- Donated capital assets were \$3.1 million and were the result of developer's constructing water and sewer lines as part of residential and commercial development.
- Expenses were \$20.5 million, which were \$3.4 million or 19.9% higher than the prior year primarily due to increase a \$1.0 million increase in depreciation expense due to the addition of the Totopotomoy Wastewater Treatment Plant to capital assets and an increase of \$500,000 in recovered cost and service charge to the General Fund.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42.2 million, an increase of \$12.4 million in comparison with the prior year. The School Improvements Fund, previously shown within Discretely Presented Component Unit – School Board, has been reclassified to the primary government for consistency with debt issuance responsibility. Of the \$13.6 million increase, \$9.9 million is the result of bond proceeds in the School Improvements Fund where the majority of expenses are encumbered. 72.3% of this total amount, \$30.5 million, constitutes unreserved fund balance, which is available for spending at the County's discretion. The unreserved fund balance includes \$14.0 million already designated as described in footnote V. B. on page 58. Fund balance of \$11.8 million is *reserved* to indicate that it is not available for new spending because it has already been committed to 1) liquidate contracts and purchase orders of the prior period for which funding source has been received (\$11.0 million), 2) required debt reserves (\$770,000), and 3) inventory (\$11,576).

The General Fund is the primary operating fund of the County. The fund balance of the County's General Fund increased \$3.1 million during the current fiscal year. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$22.4 million, while total fund balance reached \$22.9

million. As a measure of the General Fund's liquidity, it may be useful to compare fund balances to total fund revenues. Unreserved fund balance represents 14.5% of total General Fund revenues, while total fund balance represents 14.9% of that same amount. Of unreserved fund balances, the \$16.2 million undesignated portion represents 10.5% of total General Fund revenues, and exceeds the 10% minimum per fund balance policy.

Proprietary funds: The County's proprietary funds provide the same type of information found in the business type activities of the government-wide financial statements, but in more detail. Public utilities unrestricted net assets decreased by \$200,000 to \$14.0 million. This decrease was primarily due to the net of the purchase of capital assets, which resulted in an increase of capital assets net of debt in the amount of \$6.3 million, a reduction in net asset restrictions of \$1.2 million and a total growth in net assets of \$4.9 million. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

There was an increase of \$3.4 million between the original budget and the final amended budget, with \$1.6 million resulting from reappropriation of encumbered and unencumbered remaining balances for projects that were continued from the prior year into the current fiscal year. Reappropriations included:

- \$510,000 for Sheriff's Office, primarily grant funding for equipment;
- \$150,000 under general government administration for voting machines;
- \$165,000 under judicial administration for a grant funding microfilming project.

The remaining \$1.8 million in budget adjustments were made for various revenue sources, and unplanned events including:

- \$510,000 for Tropical Storm Gaston recovery;
- \$438,000 Sheriff and Fire/EMS grants, primarily for equipment and computers;
- \$150,000 for consultant contract regarding the communications system;
- \$152,000 additional State funding for a variety of items, primarily salaries and public safety expenses;
- \$125,000 expansion of the elderly and handicapped tax relief program.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2005, amounts to \$345.0 million (net of accumulated depreciation). This was an increase of \$3.7 million or 1.1%. This investment in capital assets includes land, buildings and system, improvements, infrastructure (primarily storm water drainage basins), machinery and equipment. State law grants the County a "tenancy-in-common" with the School Board Component Unit when the County incurs an obligation for school property payable over more than one fiscal year. Major capital asset events during the current fiscal year included the following:

- Public safety improvement projects totaling \$1.4 million, which include an aerial ladder truck and two tanker trucks.
- Business activity capital assets increased \$6.0 million, and primarily consisted of completion of the construction of a new wastewater treatment facility.

Additional information on the County’s capital assets can be found in note IV. C. on pages 50-52 of this report. Capital assets net of accumulated depreciation are illustrated in the following table:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2005 Total</u>	<u>2004 Total</u>
Land	\$ 12,170,665	3,997,354	16,168,019	16,657,281
Buildings and systems	129,681,235	59,916,319	189,597,554	128,895,205
Improvements other than buildings	9,383,915	91,767,562	101,151,477	91,443,079
Machinery and equipment	10,889,098	1,131,260	12,020,358	10,634,886
Infrastructure	13,341,242	-	13,341,242	12,435,421
Construction in progress	8,111,596	4,469,950	12,581,546	81,128,543
Total	<u>\$ 183,577,751</u>	<u>161,282,445</u>	<u>344,860,196</u>	<u>341,194,415</u>

Long-term debt: At the end of the current fiscal year, the County had total bonded debt outstanding of \$163.3 million. Of this amount, \$124.9 million comprises debt backed by the full faith and credit of the County. The remainder of the County’s debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds, obligations under capital leases). The County’s total debt increased during the fiscal year by \$4 million (2.5%). The net increase was primarily a result of \$17.1 million issued for School projects less principal payments. The County is in compliance with all debt policy requirements as illustrated on pages 112 and 113 in the Statistical Section.

The County maintains a “AA+” (with a positive outlook) rating from Fitch Ratings, a “Aa1” rating from Moody’s Investors Services, Inc. and a “AA” from Standard & Poor’s for general obligation debt. In the Commonwealth of Virginia, there is no state statute that limits the amount of general obligation debt a County entity may issue. Additional information on the County’s long-term debt can be found in note IV. F. on pages 54-57 of this report. The following table illustrates the County’s outstanding debt:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General obligation bonds	\$ 124,905,617	-	124,905,617
Revenue bonds	-	33,211,383	33,211,383
Capital lease obligations	5,218,579	-	5,218,579
Total	<u>\$ 130,214,196</u>	<u>33,211,383</u>	<u>163,335,579</u>

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate for the County in August 2005 was 3.1%, which is an increase from a rate of 2.8% a year ago. However, this still compares favorably to the State’s average unemployment rate of 3.7% and the national average rate of 4.9% for the same period.

The County recognizes the value in properly illustrating year-end commitments, therefore as part of the unreserved fund balance the County has designated for specific purposes \$3.9 million for spending in the 2006 fiscal year budget. It is in this manner that the County is able to utilize all of or portions of surpluses generated during the current fiscal year as a source of funding in a subsequent year while meeting fund balance polices and desired reserve levels for future needs.

All County general property tax rates remained the same for calendar year 2005 as had existed in 2004. The public utilities user fees and capacity fees increased by 6.0% for the 2006 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, County of Hanover, P. O. Box 470, Hanover, VA 23069.