

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

Governmental Funds:

School – Accounts for the activities of primary and secondary education.

Textbook – Accounts for the distribution of textbooks to students.

Cafeteria – Accounts for the operations of school food services.

COUNTY OF HANOVER, VIRGINIA
Discretely Presented Component Unit School Board
Combining Balance Sheet
June 30, 2006

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
ASSETS				
Cash, cash equivalents and investments	\$ 10,818,534	127,182	643,322	11,589,038
Accounts receivable	135,877	5,576	2,157	143,610
Due from other governmental units	4,033,842	-	49,684	4,083,526
Inventory	-	-	81,863	81,863
Total assets	<u>\$ 14,988,253</u>	<u>132,758</u>	<u>777,026</u>	<u>15,898,037</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 979,469	114,384	32,690	1,126,543
Accrued liabilities	12,192,050	3,840	386,546	12,582,436
Deferred revenue	49,963	-	-	49,963
Total liabilities	<u>13,221,482</u>	<u>118,224</u>	<u>419,236</u>	<u>13,758,942</u>
Fund balances:				
Reserved for:				
Encumbrances	1,197,160	3,626	-	1,200,786
Inventory	-	-	81,863	81,863
Unreserved:				
Designated for specific purposes	569,611	-	160,875	730,486
Undesignated	-	10,908	115,052	125,960
Total fund balances	<u>1,766,771</u>	<u>14,534</u>	<u>357,790</u>	<u>2,139,095</u>
Total liabilities and fund balances	<u>\$ 14,988,253</u>	<u>132,758</u>	<u>777,026</u>	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				\$ 90,922,533
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds				
Compensated absences			\$ (3,810,120)	
Liability for early retirement program			(1,526,824)	
Accrued bond interest			(2,723,021)	(8,059,965)
Net assets of School Component Unit activities				<u>\$ 85,001,663</u>

COUNTY OF HANOVER, VIRGINIA

Discretely Presented Component Unit - School Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2006

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ -	56,305	14,384	70,689
Charges for services - operating	507,232	-	5,639,313	6,146,545
Miscellaneous	499,822	-	20,881	520,703
Recovered costs	645,917	-	-	645,917
Payments from primary government	77,727,454	676,173	-	78,403,627
Revenue from the Commonwealth	68,863,924	638,815	66,253	69,568,992
Revenue from the Federal government	5,354,408	-	1,145,101	6,499,509
Total revenues	<u>153,598,757</u>	<u>1,371,293</u>	<u>6,885,932</u>	<u>161,855,982</u>
EXPENDITURES				
Current:				
Education	139,257,183	1,675,453	6,908,998	147,841,634
Debt service:				
Principal retirement	8,666,075	-	-	8,666,075
Interest and fiscal charges	5,389,377	-	-	5,389,377
Total expenditures	<u>153,312,635</u>	<u>1,675,453</u>	<u>6,908,998</u>	<u>161,897,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>286,122</u>	<u>(304,160)</u>	<u>(23,066)</u>	<u>(41,104)</u>
Net change in fund balance	286,122	(304,160)	(23,066)	(41,104)
Fund balances - beginning	1,480,649	318,694	374,580	2,173,923
Increase in reserve for inventory	-	-	6,276	6,276
Fund balances - ending	<u>\$ 1,766,771</u>	<u>14,534</u>	<u>357,790</u>	<u>2,139,095</u>

COUNTY OF HANOVER, VIRGINIA

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Discretely Presented School Component Unit to the Statement of Activities
For the Year Ended June 30, 2006

Net change in fund balances - total governmental funds	\$ (41,104)
<p>The County's School Improvements Fund accounts for the construction and acquisition of School Board capital assets. As the School Improvements Fund makes capital outlay expenditures, the capital assets, and a corresponding increase in the "Payment from Hanover County" are recorded by the School Component Unit in the government-wide financial statements. After their completion, the cost of the capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the increase in the Payment from Hanover County due to capital asset acquisitions (\$23,847,050) exceeded depreciation expense (\$6,903,422) in the current period.</p>	16,943,628
<p>Under Virginia law, the County has a tenancy in common for School Component Unit capital assets for which the County is obligated to repay outstanding "on-behalf" bonds. Under the tenancy in common, the County reports the net book value of School Component Unit capital assets up to the outstanding principal balance of "on-behalf" bonds at year end. This amount is the increase in the net book value of School Component Unit capital assets reported by the County for the fiscal year, which resulted primarily from school construction activity funded by newly issued County bonds. The amount of the capital assets transferred to the County from the School Component Unit results in a decrease in net assets reported by the School Component Unit on the statement of activities.</p>	(11,040,309)
<p>Some expenses reported in this statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	(401,210)
Changes in net assets of School Component Unit activities	\$ 5,461,005

COUNTY OF HANOVER, VIRGINIA

School Fund - School Board

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services:				
Tuition and other charges for services	\$ 677,210	679,949	507,232	(172,717)
Total charges for services	677,210	679,949	507,232	(172,717)
Miscellaneous:				
Sale of assets	7,500	7,500	-	(7,500)
Miscellaneous	381,251	641,023	499,822	(141,201)
Total miscellaneous revenue	388,751	648,523	499,822	(148,701)
Recovered costs:				
Recovered costs	445,300	535,438	645,917	110,479
Total recovered costs	445,300	535,438	645,917	110,479
Payments from primary government:				
General Fund	79,355,169	79,355,169	77,727,454	(1,627,715)
Total payments from primary government	79,355,169	79,355,169	77,727,454	(1,627,715)
Total revenue from local sources	80,866,430	81,219,079	79,380,425	(1,838,654)
Revenue from the Commonwealth:				
Non-categorical aid:				
Lottery proceeds and basic school aid	53,303,528	53,303,528	52,517,964	(785,564)
Total non-categorical aid	53,303,528	53,303,528	52,517,964	(785,564)
Categorical aid:				
Categorical aid programs	15,216,100	15,267,408	16,345,960	1,078,552
Total categorical aid	15,216,100	15,267,408	16,345,960	1,078,552
Total revenue from the Commonwealth	68,519,628	68,570,936	68,863,924	292,988
Revenue from the Federal government:				
Categorical aid:				
Department of Education	6,214,890	6,411,635	5,354,408	(1,057,227)
Total revenue from the Federal government	6,214,890	6,411,635	5,354,408	(1,057,227)
Total revenues	155,600,948	156,201,650	153,598,757	(2,602,893)
EXPENDITURES				
Education:				
General support	7,647,470	7,514,639	7,447,221	67,418
Pupil transportation	6,574,578	7,321,252	7,175,455	145,797
Operations and maintenance	10,250,090	10,282,769	10,160,482	122,287
Instruction	114,926,173	116,124,623	112,990,400	3,134,223
Facilities	1,726,081	1,953,960	1,483,625	470,335
Total education	141,124,392	143,197,243	139,257,183	3,940,060
Debt service:				
Principal retirement	9,590,294	8,666,075	8,666,075	-
Interest and fiscal charges	4,886,262	5,818,981	5,389,377	429,604
Total debt service	14,476,556	14,485,056	14,055,452	429,604
Total expenditures	155,600,948	157,682,299	153,312,635	4,369,664
Excess (deficiency) of revenues over (under) expenditures	-	(1,480,649)	286,122	1,766,771
Net change in fund balance	-	(1,480,649)	286,122	1,766,771
Fund balance - beginning	-	1,480,649	1,480,649	-
Fund balance - ending	\$ -	-	1,766,771	1,766,771

COUNTY OF HANOVER, VIRGINIA

Textbook Fund - School Board

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of property	\$ -	56,000	56,305	305
Total revenue from use of property	-	56,000	56,305	305
Miscellaneous revenue:				
Miscellaneous	-	131,915	-	(131,915)
Total miscellaneous revenue	-	131,915	-	(131,915)
Payments from primary government:				
General Fund	676,173	676,173	676,173	-
Total payments from primary government	676,173	676,173	676,173	-
Total revenue from local sources	676,173	864,088	732,478	(131,610)
Revenue from the Commonwealth:				
Categorical aid:				
Textbook	635,348	635,348	638,815	3,467
Total revenue from the Commonwealth	635,348	635,348	638,815	3,467
Total revenues	1,311,521	1,499,436	1,371,293	(128,143)
EXPENDITURES				
Education:				
Textbook	1,653,314	1,816,613	1,675,453	141,160
Total expenditures	1,653,314	1,816,613	1,675,453	141,160
Excess (deficiency) of revenue over (under) expenditures	(341,793)	(317,177)	(304,160)	13,017
Net change in fund balance	(341,793)	(317,177)	(304,160)	13,017
Fund balance - beginning	341,793	318,694	318,694	-
Fund balance - ending	\$ -	1,517	14,534	13,017

COUNTY OF HANOVER, VIRGINIA

Cafeteria Fund - School Board

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2006

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ 2,000	2,000	14,384	12,384
Charges for services	5,719,826	5,719,826	5,639,313	(80,513)
Miscellaneous revenue	23,000	23,000	20,881	(2,119)
Total revenue from local sources	<u>5,744,826</u>	<u>5,744,826</u>	<u>5,674,578</u>	<u>(70,248)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food programs	73,297	73,297	66,253	(7,044)
Total revenue from the Commonwealth	<u>73,297</u>	<u>73,297</u>	<u>66,253</u>	<u>(7,044)</u>
Revenue from the Federal government:				
Categorical aid:				
USDA donated commodities	222,000	222,000	232,624	10,624
School food programs	689,807	689,807	769,551	79,744
Breakfast reimbursement	115,842	115,842	142,926	27,084
Total revenue from the Federal government	<u>1,027,649</u>	<u>1,027,649</u>	<u>1,145,101</u>	<u>117,452</u>
Total revenues	<u>6,845,772</u>	<u>6,845,772</u>	<u>6,885,932</u>	<u>40,160</u>
EXPENDITURES				
Education:				
Cafeteria	6,845,772	6,845,772	6,908,998	(63,226)
Total expenditures	<u>6,845,772</u>	<u>6,845,772</u>	<u>6,908,998</u>	<u>(63,226)</u>
Net change in fund balance	-	-	(23,066)	(23,066)
Fund balance - beginning	341,793	374,580	374,580	-
Increase in reserve for inventory	-	-	6,276	6,276
Fund balance - ending	<u>\$ 341,793</u>	<u>374,580</u>	<u>357,790</u>	<u>(16,790)</u>