

COUNTY OF HANOVER, VIRGINIA

Direct and Overlapping Governmental Activities Debt and Legal Debt Margin

June 30, 2006

	<u>Governmental Unit</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable to County of Hanover</u>	<u>Estimated Share of Direct and Overlapping Debt</u>	<u>Legal Debt Margin</u>
Overlapping debt	Town of Ashland (1)	\$ 1,340,000	80.5%	\$ 1,078,811	
Direct debt	County of Hanover (2)	130,499,928		\$ 130,499,928	(3)
Total direct and overlapping debt				<u>\$ 131,578,739</u>	

- Notes: (1) The estimated percentage of the Town of Ashland's net general bonded debt outstanding applicable to the County is based upon a 1996 agreement under which the County assumed ownership of the Town's water and sewer system, and agreed to reimburse the Town for 80.5 percent of the debt service on the applicable water and sewer bonds.
- (2) Excludes general obligation bonds reported in the enterprise funds.
- (3) Counties in the State of Virginia are not subject to a legal debt margin.