

COUNTY OF HANOVER, VIRGINIA

Pledged Revenue Coverage (1)

Last Ten Fiscal Years

Fiscal Year	Utility Revenues (3)	Less: Operating Expenses (4)	Net Available Revenues	Debt Service Requirements		Net Available Revenues Coverage (5,7)	Debt Covenant Coverage Ratio (1,2,6)		
				Principal	Interest		Debt Service		Debt Covenant Coverage Test
							Senior Debt Service	Subordinate Debt Service	
1998	\$ 20,236,947	8,881,253	11,355,694	2,599,666	1,386,499	2.8	1,886,392	2,099,773	2.7
1999	20,810,380	9,233,147	11,577,233	2,695,681	1,244,300	2.9	1,852,277	2,087,704	2.7
2000	22,114,387	9,796,526	12,317,861	2,787,179	1,086,461	3.2	1,396,609	2,477,031	3.0
2001	22,390,288	9,675,260	12,715,028	1,375,213	1,142,682	5.0	1,200,484	1,317,411	4.7
2002	22,862,743	9,738,936	13,123,807	1,125,068	1,107,767	5.9	1,315,060	917,775	5.4
2003	22,019,995	10,739,603	11,280,392	1,194,006	979,335	5.2	1,221,541	951,800	4.8
2004	20,204,934	11,575,054	8,629,880	1,804,612	1,178,264	2.9	1,996,845	986,031	2.6
2005	22,269,236	13,583,502	8,685,734	2,380,906	1,487,739	2.2	3,076,445	792,200	2.0
2006	24,926,132	14,357,272	10,568,860	1,595,163	1,350,519	3.6	2,750,338	195,344	3.1
2007	24,793,867	14,376,026	10,417,841	2,033,670	1,569,319	2.9	3,402,575	200,415	2.5
% Change			-1.4%	27.5%	16.2%	-19.4%	23.7%	2.6%	-19.5%
% Ch. Since 1998			-8.3%	-21.8%	13.2%	1.5%	80.4%	-90.5%	-4.8%

- Notes: (1) The information in the above table is applicable to water and sewer revenue bonds only. Further information on the County's revenue bonds can be found in Notes IV-E and V-F to the accompanying basic financial statements.
- (2) For comparability, the debt covenant coverage test for 1998 through 2005 has been restated to comply with current Water and Sewer System revenue bond covenants. The County was in compliance with all debt coverage ratios applicable to those years before restatement, as demonstrated in the statistical sections of the Comprehensive Annual Financial Reports for those years.
- (3) Utility revenues exclude donated capital assets.
- (4) Operating expenses exclude depreciation.
- (5) The net available revenues coverage equals net available revenues divided by total debt service requirements.
- (6) The debt covenant coverage ratio assists users to assess the County's legal compliance with its debt service covenant requirement. The County's debt covenant requires the ratio of the net revenues divided by the sum of 115% of senior debt service and 100% of subordinate debt service to exceed 1.0.
- (7) During fiscal 2007, the County issued an airport revenue bond, secured by rent from the airport's fixed base operator. Fiscal year 2007 net expenses of \$128,248 consisted of rent of \$33,861, net of operating expenses, excluding depreciation, of \$162,109. The airport bond had no debt service requirement or debt covenant requirement for fiscal 2007. Accordingly, the net available revenue coverage ratio disclosure and debt covenant tests are not applicable for the airport bond for fiscal 2007. In future fiscal years, the airport bond will be subject to a debt covenant requirement that amounts available for debt service must equal at least 125% of the annual debt service requirement.