

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, 2008

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
ASSETS				
Cash, cash equivalents and investments	\$ 12,592,569	2,035,358	660,231	15,288,158
Accounts receivable	185,351	1,936	604	187,891
Due from other governmental units	4,519,799	-	43,161	4,562,960
Inventory	-	-	131,330	131,330
Total assets	<u>\$ 17,297,719</u>	<u>2,037,294</u>	<u>835,326</u>	<u>20,170,339</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,157,511	185,289	4,067	1,346,867
Accrued liabilities	13,924,126	3,859	420,491	14,348,476
Deferred revenue	49,835	-	-	49,835
Total liabilities	<u>15,131,472</u>	<u>189,148</u>	<u>424,558</u>	<u>15,745,178</u>
Fund balances:				
Reserved for:				
Encumbrances	1,166,152	15,595	27	1,181,774
Inventory	-	-	131,330	131,330
Unreserved:				
Designated for specific purposes	750,095	-	53,726	803,821
Undesignated	250,000	1,832,551	225,685	2,308,236
Total fund balances	<u>2,166,247</u>	<u>1,848,146</u>	<u>410,768</u>	<u>4,425,161</u>
Total liabilities and fund balances	<u>\$ 17,297,719</u>	<u>2,037,294</u>	<u>835,326</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.				\$ 102,936,047
Prepaid postemployment healthcare benefits represent irrevocable payments made to the Retiree Medical Benefits Trust for retiree healthcare benefits in advance of total actuarial requirements to date. The advance payments are reported in the statement of net assets as a noncurrent asset, but as expenditures in the funds when made.				207,133
Long-term liabilities and some accrued liabilities are not due and payable in the current period and therefore are not reported in the funds:				
Compensated absences			\$ (4,248,117)	
Liability for early retirement program			(1,228,252)	
Accrued liabilities			(385,000)	
Accrued bond interest			(2,907,746)	(8,769,115)
Net assets of School Component Unit activities				<u>\$ 98,799,226</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, 2008

	Governmental Funds			
	School	Textbook	Cafeteria	Totals
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ -	11,047	13,451	24,498
Charges for services - operating	585,685	-	5,958,887	6,544,572
Miscellaneous	487,162	-	21,771	508,933
Recovered costs	735,019	-	-	735,019
Payments from primary government	90,482,723	717,352	-	91,200,075
Revenue from the Commonwealth	82,806,020	1,059,873	67,012	83,932,905
Revenue from the Federal government	6,248,523	-	1,322,145	7,570,668
Total revenues	181,345,132	1,788,272	7,383,266	190,516,670
EXPENDITURES				
Current:				
Education	165,089,955	494,346	7,259,556	172,843,857
Debt service:				
Principal retirement	10,888,261	-	-	10,888,261
Interest and fiscal charges	5,936,066	-	-	5,936,066
Total expenditures	181,914,282	494,346	7,259,556	189,668,184
Net change in fund balance	(569,150)	1,293,926	123,710	848,486
Fund balances - beginning	2,735,397	554,220	246,488	3,536,105
Increase in reserve for inventory	-	-	40,570	40,570
Fund balances - ending	\$ 2,166,247	1,848,146	410,768	4,425,161

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, 2008

Net change in fund balances - total governmental funds \$ 848,486

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 (\$22,020,676) exceeded depreciation expense (\$7,959,133) in the current period. 14,061,543

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. (3,242,801)

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. (365,648)

Changes in net assets of School Component Unit activities \$ 11,301,580

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, 2008

	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	\$ 765,630	770,952	585,685	(185,267)
Total charges for services	765,630	770,952	585,685	(185,267)
Miscellaneous:				
Miscellaneous	562,819	526,574	487,162	(39,412)
Total miscellaneous revenue	562,819	526,574	487,162	(39,412)
Recovered costs:				
Recovered costs	676,624	687,739	735,019	47,280
Total recovered costs	676,624	687,739	735,019	47,280
Payments from primary government:				
General Fund	92,045,273	92,876,179	90,482,723	(2,393,456)
Total payments from primary government	92,045,273	92,876,179	90,482,723	(2,393,456)
Total revenue from local sources	94,050,346	94,861,444	92,290,589	(2,570,855)
Revenue from the Commonwealth:				
Non-categorical aid:				
Lottery proceeds and basic school aid	65,307,238	65,307,238	65,068,532	(238,706)
Total non-categorical aid	65,307,238	65,307,238	65,068,532	(238,706)
Categorical aid:				
Categorical aid programs	18,267,918	18,536,349	17,737,488	(798,861)
Total categorical aid	18,267,918	18,536,349	17,737,488	(798,861)
Total revenue from the Commonwealth	83,575,156	83,843,587	82,806,020	(1,037,567)
Revenue from the Federal government:				
Categorical aid:				
Department of Education	5,934,696	7,018,867	6,248,523	(770,344)
Total revenue from the Federal government	5,934,696	7,018,867	6,248,523	(770,344)
Total revenues	183,560,198	185,723,898	181,345,132	(4,378,766)
EXPENDITURES				
Education:				
General support	9,128,029	9,296,899	8,912,185	384,714
Pupil transportation	8,533,441	8,813,713	8,621,827	191,886
Operations and maintenance	11,579,956	11,917,637	11,769,436	148,201
Instruction	135,743,453	138,824,280	133,949,216	4,875,064
Facilities	1,750,894	2,747,180	1,837,291	909,889
Total education	166,735,773	171,599,709	165,089,955	6,509,754
Debt service:				
Principal retirement	10,888,261	10,888,261	10,888,261	-
Interest and fiscal charges	5,936,164	5,936,164	5,936,066	98
Total debt service	16,824,425	16,824,425	16,824,327	98
Total expenditures	183,560,198	188,424,134	181,914,282	6,509,852
Net change in fund balance	-	(2,700,236)	(569,150)	2,131,086
Fund balance - beginning	-	2,700,236	2,735,397	35,161
Fund balance - ending	\$ -	-	2,166,247	2,166,247

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, 2008

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of property	\$ -	-	11,047	11,047
Total revenue from use of property	-	-	11,047	11,047
Payments from primary government:				
General Fund	717,352	717,352	717,352	-
Total payments from primary government	717,352	717,352	717,352	-
Total revenue from local sources	717,352	717,352	728,399	11,047
Revenue from the Commonwealth:				
Categorical aid:				
Textbook	1,072,557	1,072,557	1,059,873	(12,684)
Total revenue from the Commonwealth	1,072,557	1,072,557	1,059,873	(12,684)
Total revenues	1,789,909	1,789,909	1,788,272	(1,637)
EXPENDITURES				
Education:				
Textbook	1,789,909	1,789,909	494,346	1,295,563
Total expenditures	1,789,909	1,789,909	494,346	1,295,563
Net change in fund balance	-	-	1,293,926	1,293,926
Fund balance - beginning	-	-	554,220	554,220
Fund balance - ending	\$ -	-	1,848,146	1,848,146

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, 2008

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ 12,000	12,000	13,451	1,451
Charges for services	6,279,743	6,279,743	5,958,887	(320,856)
Miscellaneous revenue	26,750	26,750	21,771	(4,979)
Total revenue from local sources	<u>6,318,493</u>	<u>6,318,493</u>	<u>5,994,109</u>	<u>(324,384)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food programs	68,000	68,000	67,012	(988)
Total revenue from the Commonwealth	<u>68,000</u>	<u>68,000</u>	<u>67,012</u>	<u>(988)</u>
Revenue from the Federal government:				
Categorical aid:				
USDA donated commodities	244,500	244,500	340,189	95,689
School food programs	797,115	797,115	813,954	16,839
Breakfast reimbursement	144,938	144,938	168,002	23,064
Total revenue from the Federal government	<u>1,186,553</u>	<u>1,186,553</u>	<u>1,322,145</u>	<u>135,592</u>
Total revenues	<u>7,573,046</u>	<u>7,573,046</u>	<u>7,383,266</u>	<u>(189,780)</u>
EXPENDITURES				
Education:				
Cafeteria	7,573,046	7,573,046	7,259,556	313,490
Total expenditures	<u>7,573,046</u>	<u>7,573,046</u>	<u>7,259,556</u>	<u>313,490</u>
Net change in fund balance	-	-	123,710	123,710
Fund balance - beginning	-	-	246,488	246,488
Increase in reserve for inventory	-	-	40,570	40,570
Fund balance - ending	<u>\$ -</u>	<u>-</u>	<u>410,768</u>	<u>410,768</u>