

COUNTY OF HANOVER, VIRGINIA
Changes in Fund Balances, Governmental Funds ^{(3), (4)}
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

1 of 2

| | Fiscal Year | | | | |
|--|-----------------------|---------------------|---------------------|---------------------|--------------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Primary Government: | | | | | |
| REVENUES | | | | | |
| General property taxes | \$ 67,308,494 | 72,440,101 | 73,623,307 | 79,536,223 | 87,102,894 |
| Other local taxes | 18,051,340 | 19,819,431 | 21,344,614 | 20,119,615 | 23,059,560 |
| Permits, privilege fees and regulatory licenses | 1,868,160 | 1,785,941 | 1,971,098 | 2,031,537 | 2,382,618 |
| Fines and forfeitures | 429,827 | 393,703 | 402,496 | 535,613 | 755,612 |
| Revenues from use of money and property | 2,439,676 | 2,714,304 | 1,062,549 | 1,158,711 | 469,494 |
| Charges for services | 6,546,432 | 4,333,964 | 5,640,273 | 6,364,983 | 6,808,704 |
| Miscellaneous | 722,279 | 1,329,609 | 748,276 | 755,405 | 651,467 |
| Recovered costs | 2,409,698 | 2,126,294 | 2,646,507 | 1,801,326 | 3,465,357 |
| Intergovernmental (state and federal) | 20,037,569 | 22,702,302 | 30,298,996 | 27,205,814 | 31,953,115 |
| Total revenues | <u>119,813,475</u> | <u>127,645,649</u> | <u>137,738,116</u> | <u>139,509,227</u> | <u>156,648,821</u> |
| EXPENDITURES | | | | | |
| General governmental administration | 6,940,188 | 7,767,247 | 9,422,694 | 9,046,646 | 9,996,622 |
| Judicial administration | 1,897,526 | 2,453,645 | 2,801,675 | 2,790,441 | 2,904,596 |
| Public safety | 22,622,596 | 25,159,954 | 22,890,619 | 28,218,865 | 28,867,772 |
| Public works | 12,810,463 | 12,996,826 | 11,469,558 | 8,867,259 | 11,347,662 |
| Human services | 12,025,972 | 13,001,788 | 15,336,213 | 14,840,637 | 17,409,953 |
| Parks, recreation and cultural | 3,092,214 | 3,263,939 | 3,801,167 | 4,446,149 | 4,314,220 |
| Community development | 3,613,904 | 4,075,473 | 4,654,911 | 4,360,063 | 4,254,248 |
| Education expenditures, for: | | | | | |
| Instruction, operations and administration | 43,011,696 | 47,894,364 | 52,238,183 | 54,046,905 | 59,586,631 |
| Capital outlay | 19,220,404 | 18,084,088 | 18,234,347 | 26,255,738 | 11,261,499 |
| Debt service: | | | | | |
| Principal retirement | 6,397,666 | 7,072,242 | 7,727,463 | 8,193,484 | 8,055,740 |
| Interest and fiscal charges | 4,147,725 | 4,445,218 | 5,138,804 | 5,015,871 | 5,794,545 |
| Total education, primary government | <u>72,777,491</u> | <u>77,495,912</u> | <u>83,338,797</u> | <u>93,511,998</u> | <u>84,698,415</u> |
| Debt service: | | | | | |
| Principal retirement | 1,564,220 | 1,612,463 | 1,579,260 | 1,561,108 | 1,527,625 |
| Interest and fiscal charges | 923,450 | 849,329 | 774,420 | 692,568 | 605,076 |
| Bond issuance costs | - | - | - | - | - |
| Total expenditures | <u>138,268,024</u> | <u>148,676,576</u> | <u>156,069,314</u> | <u>168,335,734</u> | <u>165,926,189</u> |
| Excess of revenues over (under) expenditures | <u>(18,454,549)</u> | <u>(21,030,927)</u> | <u>(18,331,198)</u> | <u>(28,826,507)</u> | <u>(9,277,368)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 9,138,114 | 11,930,446 | 15,408,658 | 6,063,542 | 7,742,528 |
| Transfers out | (7,238,114) | (11,649,042) | (14,217,374) | (5,535,931) | (6,282,077) |
| Bonds issued | 11,328,252 | 18,245,000 | 22,065,000 | 21,500,000 | - |
| Refunding bonds issued | - | - | - | - | - |
| Payments to escrow agent | - | - | - | - | - |
| Capital leases | - | 269,085 | - | - | - |
| Total other financing sources (uses) | <u>13,228,252</u> | <u>18,795,489</u> | <u>23,256,284</u> | <u>22,027,611</u> | <u>1,460,451</u> |
| Net change in fund balances | <u>\$ (5,226,297)</u> | <u>(2,235,438)</u> | <u>4,925,086</u> | <u>(6,798,896)</u> | <u>(7,816,917)</u> |
| County capital outlay (other than for education) contained in functional expenditure categories, above | \$ <u>12,184,921</u> | <u>13,589,067</u> | <u>8,092,149</u> | <u>5,452,015</u> | <u>5,722,320</u> |
| GASB 44 debt service disclosure (primary government): (2) | | | | | |
| Debt service as a percentage of noncapital expenditures, primary government, governmental funds | <u>12.2%</u> | <u>11.9%</u> | <u>11.7%</u> | <u>11.3%</u> | <u>10.7%</u> |
| Self-imposed debt margin compliance (total reporting entity): (1) | | | | | |
| Noncapital expenditures - total reporting entity | \$ 159,335,005 | 172,838,681 | 184,410,271 | 195,661,023 | 214,131,882 |
| Debt service as a percent of noncapital expenditures - total reporting entity | <u>8.2%</u> | <u>8.1%</u> | <u>8.3%</u> | <u>7.9%</u> | <u>7.5%</u> |

Notes: (1) **Self-imposed debt limit information**

The Commonwealth of Virginia does not impose a legal debt limit on the amount of long-term indebtedness the County can incur or have outstanding. The Board of Supervisors, however, has imposed limits in the County's Debt Policy. For example, the County's debt policy provides that the annual debt service will not exceed ten percent of noncapital expenditures for the governmental funds of the reporting entity as a whole. For this purpose, capital outlay consists of total expenditures of the County and School Improvements Funds (Capital Projects Funds), and noncapital expenditures consist of total expenditures of the reporting entity, exclusive of the Capital Projects Funds. This table shows how the County has met this self-imposed debt limit for each of the past ten fiscal years. Information about additional self-imposed debt limits is presented on Table 9.

(2) **GASB 44 debt service disclosure**

This table also shows debt service as a percent of noncapital expenditures for the governmental funds of the primary government only (excluding component units), as required by GASB Statement No. 44. For this purpose, capital outlay is defined in accordance with GASB 44 as the amount of capital assets constructed or acquired during the fiscal year in accordance with the County's asset capitalization policy.

(3) Certain estimates and reclassifications have been made to conform with the presentations required by GASB Statements No. 34 and 44. In addition, bond issuance costs have been presented separately from Interest and Fiscal Charges beginning in fiscal year 2007.

(4) Beginning in fiscal year 2005, the School Improvements Fund was included as a major fund of the primary government. To be consistent with subsequent presentation, amounts for fiscal years 2000 - 2004 have been restated to include revenues, expenditures and other financing sources (uses) of the School Improvements Fund.

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 Last Ten Fiscal Years
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Table 4 2 of 2

| Fiscal Year | | | | | |
|-------------|--------------|--------------|--------------|--------------|--|
| 2005 | 2006 | 2007 | 2008 | 2009 | |
| 94,604,793 | 104,909,885 | 116,138,314 | 127,752,615 | 134,631,877 | REVENUES |
| 25,475,779 | 28,190,135 | 27,952,788 | 29,953,700 | 27,050,122 | General property taxes |
| 2,723,338 | 2,741,893 | 2,840,734 | 2,570,668 | 1,756,291 | Other local taxes |
| 900,479 | 922,784 | 979,511 | 967,867 | 1,111,383 | Permits, privilege fees and regulatory licenses |
| 739,604 | 1,778,603 | 2,948,143 | 2,507,279 | 1,386,151 | Fines and forfeitures |
| 7,763,532 | 9,799,667 | 9,163,731 | 8,165,843 | 7,982,604 | Revenues from use of money and property |
| 341,392 | 902,337 | 534,902 | 654,065 | 839,426 | Charges for services |
| 4,025,895 | 4,938,320 | 4,901,798 | 6,824,257 | 6,677,511 | Miscellaneous |
| 30,661,978 | 31,784,408 | 31,601,395 | 34,398,123 | 33,571,769 | Recovered costs |
| 167,236,790 | 185,968,032 | 197,061,316 | 213,794,417 | 215,007,134 | Intergovernmental (state and federal) |
| | | | | | Total revenues |
| 10,820,949 | 11,842,572 | 12,998,848 | 13,604,057 | 13,221,357 | EXPENDITURES |
| 3,417,726 | 3,797,463 | 3,864,913 | 4,342,825 | 5,603,761 | General governmental administration |
| 33,448,190 | 36,508,483 | 40,357,437 | 47,391,988 | 61,749,637 | Judicial administration |
| 10,121,770 | 8,691,474 | 8,361,994 | 12,212,146 | 15,502,385 | Public safety |
| 18,643,912 | 20,000,898 | 21,453,342 | 22,960,809 | 24,195,148 | Public works |
| 4,780,299 | 5,393,280 | 6,564,538 | 9,221,302 | 10,083,714 | Human services |
| 4,507,798 | 4,920,539 | 5,313,263 | 5,547,312 | 5,940,549 | Parks, recreation and cultural |
| 60,195,699 | 65,364,031 | 67,881,714 | 75,940,541 | 79,411,219 | Community development |
| 9,924,452 | 23,847,050 | 21,461,655 | 22,020,675 | 9,706,041 | Education expenditures, for: |
| 8,873,194 | 8,666,075 | 10,064,060 | 10,888,261 | 11,336,693 | Instruction, operations and administration |
| 5,268,461 | 5,389,377 | 5,592,647 | 5,936,066 | 6,061,070 | Capital outlay |
| 84,261,806 | 103,266,533 | 105,000,076 | 114,785,543 | 106,515,023 | Debt service: |
| 1,448,913 | 1,185,722 | 1,220,185 | 1,578,504 | 1,697,930 | Principal retirement |
| 476,297 | 408,199 | 292,753 | 696,081 | 514,194 | Interest and fiscal charges |
| - | - | 160,802 | 31,161 | 360,492 | Bond issuance costs |
| 171,927,660 | 196,015,163 | 205,588,151 | 232,371,728 | 245,384,190 | Total expenditures |
| (4,690,870) | (10,047,131) | (8,526,835) | (18,577,311) | (30,377,056) | Excess of revenues over (under) expenditures |
| 9,472,429 | 12,732,206 | 12,970,459 | 16,327,577 | 16,039,580 | OTHER FINANCING SOURCES (USES) |
| (9,527,429) | (12,982,206) | (13,589,531) | (16,557,255) | (16,372,661) | Transfers in |
| 17,097,408 | 14,739,643 | 21,487,759 | 14,614,880 | 21,679,548 | Transfers out |
| - | - | 14,653,901 | - | 24,962,676 | Bonds issued |
| - | - | (14,538,703) | - | (24,758,539) | Refunding bonds issued |
| - | - | - | - | - | Payments to escrow agent |
| 17,042,408 | 14,489,643 | 20,983,885 | 14,385,202 | 21,550,604 | Capital leases |
| 12,351,538 | 4,442,512 | 12,457,050 | (4,192,109) | (8,826,452) | Total other financing sources (uses) |
| 3,651,890 | 4,724,911 | 7,706,846 | 11,459,039 | 22,252,664 | Net change in fund balances |
| 10.1% | 9.3% | 9.8% | 9.6% | 9.4% | County capital outlay (other than for education) contained in functional expenditure categories, above |
| 232,429,030 | 249,296,596 | 273,302,713 | 292,793,745 | 307,559,903 | GASB 44 Debt Service Disclosure (primary government): (2) |
| 6.9% | 6.3% | 6.3% | 6.5% | 6.5% | Debt service as a percentage of noncapital expenditures, primary government, governmental funds |
| | | | | | Self-imposed debt margin compliance (total reporting entity): (1) |
| | | | | | Noncapital expenditures - total reporting entity |
| | | | | | Debt service as a percent of noncapital expenditures - total reporting entity |

To assist the reader, the fiscal year 2009 percentages, calculated in accordance with the County's self-imposed debt margin, and with GASB 44, respectively, are as follows:

| Debt Margin Information (1), (2) | | |
|-----------------------------------|---------------------------|-----------------------------|
| Fiscal Year 2008 | Self-imposed | GASB 44 |
| | Total | |
| | Reporting Entity (Note 1) | Primary Government (Note 2) |
| Total expenditures | \$ 349,648,870 | 245,384,190 |
| Less: | | |
| Capital Outlay | (42,088,967) | (31,958,705) |
| Noncapital expenditures | \$ 307,559,903 | 213,425,485 |
| Debt service expenditures | \$ 19,970,379 | 19,970,379 |
| As a % of noncapital expenditures | 6.5% | 9.4% |